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REPORT OF THE SUBSIDIARY BODY FOR IMPLEMENTATION ON ITS EIGHTH SESSION, BONN, 2-12 JUNE 1998

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I. OPENING OF THE SESSION
(Agenda item 1)

1. The eighth session of the Subsidiary Body for Implementation (SBI) was held at the Hotel Maritim, Bonn, from 2 to 12 June 1998.

2. At the 1st meeting, on 2 June 1998, the Chairman of the SBI, Mr. Bakary Kanté (Senegal), opened the session and welcomed all delegates and observers. In welcoming participants, he recalled that the current session was the first session of the SBI since the Conference of the Parties (COP) had adopted the Kyoto Protocol to the United Nations Framework Convention on Climate Change, at its third session in Kyoto. The Chairman stressed that at this session the SBI had two full weeks in which to complete its work; delegates thus had a considerable opportunity that would not be available during the meetings scheduled in combination with COP 4. He expressed the hope that delegates would assist him in bringing the session to a successful conclusion.

3. Also at the 1st meeting, on 2 June, the Executive Secretary welcomed all participants to the session. He emphasized that the SBI at its eighth session would have the opportunity to make progress and lighten the load which all Parties would have to face in their negotiations at COP 4. To help achieve this, he called upon all Parties to demonstrate flexibility so as to enable the necessary sequencing and coordination between the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA) in the consideration of agenda items. He also outlined to delegates the new structure of the secretariat and noted with satisfaction that the number of signatories to the Kyoto Protocol was 37 as at 2 June.

4. At the 2nd meeting, which was held jointly with the SBSTA on 2 June, statements were made by Her Excellency María Julia Alsogaray, Secretary of Natural Resources and Sustainable Development, Argentina, Mr. Klaus Töpfer, Executive Director, United Nations Environment Programme and the Executive Secretary (for summaries of these statements, see FCCC/SBSTA/1998/6, paras. 5-7).

II. ORGANIZATIONAL MATTERS
(Agenda item 2)

A. Adoption of the agenda
(Agenda item 2 (a))

5. At its 1st meeting, on 2 June, the SBI considered the provisional agenda contained in document FCCC/SBI/1998/1.

6. Statements were made by representatives of nine Parties, including one speaking on behalf of the Group of 77 and China.

7. The SBI agreed to amend provisional agenda items 7 and 8 to read, respectively, "Implementation of Article 4, paragraphs 8 and 9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol)", and "Mechanisms", and adopted the following agenda:

1. Opening of the session.

2. Organizational matters:

   (a) Adoption of the agenda;
   (b) Election of officers other than the Chairman;
   (c) Organization of the work of the session;
   (d) Allocation of work - issues arising from decision 1/CP.3,[1] paragraph 6;
   (e) Organization of the work of future sessions.

3. National communications:

   (a) Communications from Parties included in Annex I to the Convention;
   (b) Communications from Parties not included in Annex I to the Convention.

4. Financial mechanism:

   (a) Review process referred to in decision 9/CP.1;[2]
   (b) Guidance to the Global Environment Facility.

5. Second review of the adequacy of Article 4, subparagraphs 2 (a) and (b).

6. Review of information and possible decisions under Article 4, subparagraph 2 (f) of the Convention.

7. Implementation of Article 4, paragraphs 8 and 9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol).

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[1] For the full text of decisions adopted by the Conference of the Parties at its third session, see document FCCC/CP/1997/7/Add.1.

[2] For the full text of decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

8. Mechanisms:

(a) Activities implemented jointly under the pilot phase;
(b) Joint implementation[3] - decision 1/CP.3, paragraph 5 (c);
(c) Clean development mechanism - decision 1/CP.3, paragraph 5 (e);
(d) Emissions trading - decision 1/CP.3, paragraph 5 (b).

9. Arrangements for intergovernmental meetings:

(a) Arrangements for the fourth session of the Conference of the Parties;
(b) Calendar of meetings;
(c) Date and venue of the fifth session of the Conference of the Parties;
(d) Volume of documentation.

10. Administrative and financial matters:

(a) Programme budget for the biennium 1998-1999;
(b) Financial performance in the biennium 1996-1997;
(c) Financial procedures;
(d) Administrative arrangements.

11. Involvement of non-governmental organizations.

12. Report on the session.

B. Election of officers other than the Chairman
(Agenda item 2 (b))

8. The SBI considered this sub-item at its 1st and 12th meetings, on 2 and 12 June, respectively.

9. Statements were made by representatives of nine Parties, including one speaking on behalf of the Group of 77 and China.

10. At the 3rd meeting, the Chairman informed the SBI that he was conducting consultations with the regional groups on this matter, in close cooperation with the Chairman of the SBSTA.

11. At the 12th meeting, the Chairman reported with regret that, despite his best efforts, it had not proved possible to reach consensus among the regional groups and elect the remaining

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[3] This sub-item relates to Article 6 of the Kyoto Protocol and paragraph 5 (c) of decision 1/CP.3. The term "joint implementation" is used for convenience.

officers of the SBI. He expressed the hope that the regional groups would consult among themselves prior to COP 4 so that the officers of the SBI could be elected at that time.

C. Organization of the work of the session
(Agenda item 2 (c))

12. The SBI considered this sub-item at its 1st meeting, on 2 June. It had before it document FCCC/SB/1998/3.

13. Statements were made by representatives of two Parties.

14. The Chairman drew the attention of the SBI to the tentative schedule of meetings contained in document FCCC/SB/1998/3, noting that the schedule was intended to be used as a guide, and might need to be modified to reflect the pace of progress.

15. The Chairman informed the SBI that applications for accreditation to the sessions of the subsidiary bodies had recently been received from nine non-governmental organizations. These applications had been screened by the secretariat on the basis of the provisions of Article 7.6 of the Convention and in accordance with the procedures established by the COP for the admission of organizations as observers. The SBI agreed to grant these organizations access to the current session of the SBI, pending formal action on their accreditation by the COP at its fourth session.

D. Allocation of work - issues arising from decision 1/CP.3, paragraph 6
E. Organization of the work of future sessions
(Agenda items 2 (d) and 2 (e))

1. Proceedings

16. The SBI considered these sub-items in an integrated manner at its 1st and 13th meetings, on 2 and 12 June, respectively. It had before it document FCCC/SB/1998/1.

17. A statement was made by representatives of two Parties, including one speaking on behalf of the Group of 77 and China.

18. At its 1st meeting, on 2 June, the SBI agreed that this issue would be considered in an informal contact group, jointly established with the SBSTA. This informal contact group was chaired by Mr. José Romero (Switzerland).

2. Conclusions

19. At its 13th meeting, which was held jointly with the SBSTA, having considered a joint proposal by the Chairmen on the basis of inputs from the joint informal contact group, the SBI adopted the following conclusions:

(a) The SBI and the SBSTA decided to defer consideration of these items until their ninth sessions;

(b) The SBI and the SBSTA invited the Chairmen, if they considered it would be useful, to formulate points which might provide a basis for deliberations at their ninth sessions.

F. Attendance

20. The eighth session of the SBI was attended by representatives of 126 Parties and by observers from 6 States not parties to the Convention. It was also attended by representatives of 7 United Nations secretariat units and bodies, 5 specialized agencies and related organizations, 3 intergovernmental organizations and 115 non-governmental organizations.[4]

G. Documentation

21. The documents before the SBI at its eighth session are listed in annex I below.

III. NATIONAL COMMUNICATIONS
(Agenda item 3)

A. Communications from Parties included in Annex I to the Convention
(Agenda item 3 (a))

1. Proceedings

22. The SBI considered this sub-item at its 1st and 9th meetings, on 2 and 8 June, respectively. It had before it two documents presented by the secretariat (FCCC/SBI/1998/INF.1 and FCCC/SBI/1998/INF.2).

23. Statements were made by representatives of 10 Parties, including one speaking on behalf of the European Community and its member States.

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[4] For the full list of participants, see document FCCC/1998/INF.1.

2. Conclusions

24. At its 9th meeting, on 8 June, the SBI, having considered a proposal by the Chairman, as well as views expressed by delegations, adopted the following conclusions:

(a) The SBI took note of the documents prepared by the secretariat on the progress made in the process of review of the first and second national communications from Annex I Parties, noting the completion of the review of first national communications. The SBI also noted the schedule of in-depth reviews of the second national communications and encouraged those Parties which had not yet done so, to finalize with the secretariat dates of in-depth review visits;

(b) The SBI noted with appreciation the initiative of some Annex II Parties aimed at enlarging the participation of experts from non-Annex I Parties in in-depth reviews, and invited other Parties to take similar action;

(c) The SBI urged Annex I Parties that had not already done so, to submit their annual national greenhouse gas (GHG) inventories, which were due on 15 April 1998, as soon as possible. The SBI further requested Parties to submit their national GHG inventories in accordance with the Intergovernmental Panel on Climate Change (IPCC) reporting format and in electronic format so as to facilitate the processing and dissemination by the secretariat of this information. The SBI noted that the secretariat would provide a report to the SBI at its ninth session, in English only, based on national greenhouse gas inventories submitted by 30 September 1998;

(d) The SBI noted that the secretariat would complete the compilation and synthesis of second national communications on the basis of national communications received by 30 June 1998 for consideration by the Conference of the Parties at its fourth session. The SBI expressed concern at the late submission of national communications by some Annex I Parties, and urged those Parties which had not yet submitted communications to do so as soon as possible;

(e) The SBI initiated the discussion on the scheduling of submission of third and subsequent national communications by Annex I Parties and agreed with the thrust of the proposals in document FCCC/SBI/1998/INF.1. The SBI further invited Parties to submit by 1 September 1998 their views on subsequent national communications with the aim of compiling submissions of Parties in a miscellaneous document for consideration by the SBI at its ninth session.

B. Communications from Parties not included in Annex I to the Convention
(Agenda item 3 (b))

1. Proceedings

25. The SBI considered this sub-item at its 5th, 10th, 11th and 12th meetings, on 4, 10, 11 and 12 June. The SBI had before it documents FCCC/SBI/1998/INF.3 and Add.1, and FCCC/SBI/1998/MISC.1 and FCCC/SBI/1998/MISC.2.

26. Statements were made by representatives of 28 Parties, including one speaking on behalf of the Group of 77 and China, and one speaking on behalf of the European Community and its member States.

27. At its 5th meeting, the SBI agreed to a proposal by the Chairman that this item should be taken up in informal contact group discussions in conjunction with item 4 of the agenda, Financial mechanism. The informal contact group was co-chaired by Mr. John Ashe (Antigua and Barbuda) and Mr. Daniel Reifsnyder (United States of America).

2. Conclusions

28. At its 12th meeting, on 12 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI took note of the views expressed by Parties on communications from Parties not included in Annex I to the Convention and the observations by the secretariat on these communications as contained in documents FCCC/SBI/1998/INF.3 and Add.1;

(b) The SBI also took note of a proposal to hold a workshop before its ninth session in Kuala Lumpur, Malaysia, with the aim of assisting deliberations on the process for considering non-Annex I Party communications; and

(c) The SBI decided to continue its discussion on this matter at its ninth session.

IV. FINANCIAL MECHANISM
(Agenda item 4)

A. Review process referred to in decision 9/CP.1
B. Guidance to the Global Environment Facility
(Agenda items 4 (a) and 4 (b))

1. Proceedings

29. The SBI considered these sub-items at its 5th, 10th, 11th and 12th meetings, on 4, 10, 11 and 12 June, respectively. It had before it documents FCCC/SBI/1998/MISC.1 and FCCC/SBI/1998/INF.3.

30. Statements were made by representatives of 12 Parties, including one speaking on behalf of the Group of 77 and China, and one speaking on behalf of the European Community and its member States.

31. At its 5th meeting, the SBI agreed to a proposal by the Chairman that this item should be taken up in informal contact group discussions in conjunction with item 3 (b) of the agenda, Communications from Parties not included in Annex I to the Convention. The informal contact group was co-chaired by Mr. John Ashe (Antigua and Barbuda) and Mr. Daniel Reifsnyder (United States of America).

2. Conclusions

32. At its 12th meeting, on 12 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI took note of the views expressed by Parties on the review of the financial mechanism and the provision of additional guidance to the Global Environment Facility as contained in documents FCCC/SBI/1998/MISC.4 and Add.1;

(b) The SBI concluded that further deliberations on these matters are needed, and decided to continue its discussions at its ninth session; and

(c) The SBI invited Parties to submit to the secretariat further views or comments, if any, on these matters by 15 August 1998. It requested the secretariat to compile and make available such views and comments at the ninth session of the SBI.

V. SECOND REVIEW OF THE ADEQUACY OF ARTICLE 4, SUBPARAGRAPHS 2 (a) AND (b)
(Agenda item 5)

1. Proceedings

33. The SBI considered this item at its 4th, 7th, 10th and 12th meetings, on 3, 5, 10 and 12 June, respectively. It had before it document FCCC/SBI/1998/2.

34. Statements were made by representatives of 25 Parties, including one speaking on behalf of the Group of 77 and China, and one speaking on behalf of the European Community and its member States.

35. At its 7th meeting, on 5 June, the SBI established an informal contact group to consider this issue, co-chaired by Ms. Jennifer Irish (Canada) and Ms. Margaret Mukahanana (Zimbabwe).

2. Conclusions

36. At its 12th meeting, on 12 June, on the basis of a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI reiterated the conclusions reached by the Conference of the Parties at its first session (decision 1/CP.1) that subparagraphs 2 (a) and (b) of Article 4 of the Convention are not adequate for the fulfilment of the objective of the Convention;

(b) The SBI recognized that the Kyoto Protocol is an important step;

(c) The representative of the Group of 77 and China speaking on behalf of the Group stated the view that pending entry into force of the Kyoto Protocol, concrete measures should be implemented by Annex I Parties towards achieving the aim of returning to the 1990 level of anthropogenic emissions of greenhouse gases and that no new commitments for non-Annex I Parties should be introduced. Some other Parties expressed the view that action by Annex I Parties alone would not be sufficient to meet the objective of the Convention as set out in its Article 2;

(d) The SBI recommended that the second review of the adequacy of Article 4.2(a) and (b) should be carried out by the Conference of the Parties at its fourth session. Some Parties stated that such a review must consider action related to the adequacy of Article 4, subparagraphs 2 (a) and (b), which includes action by all Parties necessary to meet the objective of the Convention. The representative of the Group of 77 and China speaking on behalf of the Group stated that the Conference, at its fourth session, must not be distracted from carrying out that review as mandated by the Convention by the introduction of any extraneous matters such as the consideration of new commitments for Parties not included in Annex I;

(e) The SBI considered the timing of future reviews. The representative of the Group of 77 and China speaking on behalf of the Group was of the view that the third review should be carried out at the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, taking into account the timing mentioned in Article 9.2 of the Kyoto Protocol; subsequent reviews would take place in the year preceding the termination of each successive commitment period under the Kyoto Protocol. Some Parties were of the view that the timing of future reviews should be determined by the Conference of the Parties at its future sessions; and

(f) The SBI decided to consider this issue further at its ninth session and invited Parties to submit views on this item by 15 August 1998. It requested the secretariat to compile these views and make them available for its ninth session.

VI. REVIEW OF INFORMATION AND POSSIBLE DECISIONS UNDER ARTICLE 4, SUBPARAGRAPH 2 (f) OF THE CONVENTION

(Agenda item 6)

1. Proceedings

37. The SBI considered this item at its 4th, 10th and 12th meetings, on 3, 10 and 12 June, respectively. It had before it for information documents FCCC/CP/1997/7 and FCCC/CP/1997/MISC.3.

38. Statements were made by representatives of 12 Parties, including one by the representative of an observer State not party to the Convention.

39. At its 4th meeting, on 3 June, the SBI requested Mr. Luis Herrera Marcano (Venezuela) to conduct informal consultations on this matter.

2. Conclusions

40. At its 12th meeting, on 12 June, the SBI invited Mr. Luis Herrera Marcano (Venezuela) to continue his informal consultations during the ninth session of the SBI on the request by Turkey to be deleted from the lists in Annexes I and II to the Convention, with a view to seeking a consensus decision that could be recommended to the Conference of the Parties at its fourth session for consideration and definitive action.

VII. IMPLEMENTATION OF ARTICLE 4, PARAGRAPHS 8 AND 9 OF THE CONVENTION (DECISION 3/CP.3 AND ARTICLES 2.3 AND 3.14 OF THE KYOTO PROTOCOL)

(Agenda item 7)

1. Proceedings

41. The SBI considered this item at its 6th, 8th and 12th meetings, on 4, 8 and 12 June, respectively. It had before it a note by the secretariat circulated as document FCCC/SBI/1998/CRP.1.

42. Statements were made by representatives of 20 Parties, including one speaking on behalf of the Group of 77 and China, and one speaking on behalf of the European Community and its member States.

43. At its 6th meeting, on 4 June, the SBI established an informal contact group to consider this issue, co-chaired by Mr. Tibor Faragó (Hungary) and Mr. Mohammed Reza Salamat (Iran).

2. Conclusions

44. At its 12th meeting, on 12 June, the SBI adopted the following conclusions:

(a) The SBI decided, in response to a request by the Conference of the Parties in its decision 3/CP.3, to undertake a process to identify and determine action necessary to meet the specific needs of developing country Parties, specified under Article 4, paragraphs 8 and 9, of the Convention, arising from adverse effects of climate change and/or the impact of the implementation of response measures;

(b) The SBI noted that Articles 2.3 and 3.14 of the Protocol are also relevant to the consideration of the implementation of Article 4, paragraphs 8 and 9, of the Convention and, in accordance with decision 1/CP.3, paragraph 6, decided to adopt a joint approach to considering these issues as reflected by the amendment made to item 7 of the provisional agenda;

(c) The SBI also noted that part I of annex II to this report contains text that had been discussed and agreed with brackets by the contact group which was convened to report on this item during the current session. The SBI noted further that part II of this annex contains text that the contact group did not have time to consider; and

(d) The SBI decided to continue its consideration of this item at its ninth session, by convening a contact group, with a view to preparing a recommendation for a draft decision for adoption by the COP at its fourth session. In so doing, the SBI agreed to use the text contained in annex II as a basis for discussion.

VIII. MECHANISMS
(Agenda items 8 (a) to 8 (d))

A. Activities implemented jointly under the pilot phase
B. Joint implementation - decision 1/CP.3, paragraph 5 (c)
C. Clean development mechanism - decision 1/CP.3, paragraph 5 (e)
D. Emissions trading - decision 1/CP.3, paragraph 5 (b)

1. Proceedings

45. This item, including its four sub-items, was considered by the SBI at its 2nd, 3rd, 9th and 13th meetings, which were held jointly with the SBSTA, on 2, 3, 8 and 12 June, respectively. The subsidiary bodies had before them the following documents: FCCC/SB/1998/2, FCCC/SBSTA/1998/ INF.3; FCCC/SB/1998/MISC.1 and Add.1 and Add.1/Rev.1, Add.3 and Add.3/Rev.1 and Add.5 and 6; and FCCC/SB/1998/MISC.2 and Add.1.

46. Statements were made by representatives of 39 Parties, including one speaking on behalf of the African Group, one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States and another speaking on behalf of the Group of 77 and China.

47. At the 2nd meeting, which was held jointly with the SBSTA on 2 June, statements were made by Her Excellency María Julia Alsogaray, Secretary of Natural Resources and Sustainable Development, Argentina, Mr. Klaus Töpfer, Executive Director, UNEP and the Executive Secretary (for summaries of these statements, see FCCC/SBSTA/1998/6, paras. 5-7).

48. At their 3rd meetings, on 3 June, the SBI and SBSTA established a joint informal contact group to consider this issue, co-chaired by Mr. Luiz Gylvan Meira Filho (Brazil) and Mr. Yvo de Boer (Netherlands).

2. Conclusions

49. At its 13th meeting, which was held jointly with the SBSTA, having considered a joint proposal by the Chairmen on the basis of inputs from the joint contact group, the SBI adopted the following conclusions:

(a) The SBI and the SBSTA recalled decision 1/CP.3, in particular paragraph 5 (b), (c) and (e) on guidance to the secretariat on preparatory work, needed for consideration by the Conference of the Parties at its fourth session;

(b) The SBI and the SBSTA further recalled paragraph 6 of the same decision concerning the allocation of preparatory work for COP/MOP 1;

(c) The SBI and the SBSTA took note of documents FCCC/SB/1998/2; FCCC/SB/1998/MISC.1 and Add.1 and Add.1/Rev.1, Add.3 and Add.3/Rev.1 and Add.5 and 6; and FCCC/SB/1998/MISC.2 and Add.1;

(d) The SBI and the SBSTA further took note of the Suggested Elements for a Work Programme on Mechanisms of the Kyoto Protocol (see annex II to the report of the SBSTA on its eighth session, in FCCC/SBSTA/1998/6); and

(e) The SBI and the SBSTA invited Parties to submit views on the mechanisms referred to in decision 1/CP.3, paragraph 5 (b), (c) and (e).[5]

IX. ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS
(Agenda item 9)

A. Arrangements for the fourth session of the Conference of the Parties
(Agenda item 9 (a))

1. Proceedings

50. The SBI considered this sub-item at its 7th, 8th and 11th meetings on 5, 8 and 11 June, respectively. It had before it document FCCC/SBI/1998/3.

51. Statements were made by representatives of 18 Parties, including one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

52. At the 7th meeting, on 5 June, the Executive Secretary reported that the secretariat was working closely with the Government of Argentina in preparing for the Conference of the Parties at its fourth session. While the host country agreement had not yet been signed, it was hoped to be concluded shortly. A representative of the host Government noted that the Government was working hard to ensure the success of the event, and that it was looking forward to welcoming all participants to Buenos Aires.

53. At the 7th and 8th meetings, views were put forward regarding the list of possible elements for a provisional agenda for COP 4, as annexed to document FCCC/SBI/1998/3. Some Parties proposed alternative texts for provisional agenda item 4 "Implementation of the Convention", sub-item 4 (c) "Development and transfer of technologies", and for sub-item 4 (h)

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[5] Submissions received by 10 September 1998 will be compiled into a miscellaneous document before COP 4. Submissions received after this date will be issued in an addendum but will not be available until after the start of COP 4.

"Matters relating to implementation: scientific and methodological aspects of proposal by Brazil". Views were expressed for and against the inclusion of provisional item 6 "Voluntary commitments by non-Annex I Parties", the inclusion of which had been requested by a Party.

54. Also at the 8th meeting, suggestions were made as to possible areas of focus for the high-level segment of the Conference (see FCCC/SBI/1998/MISC.3).

2. Conclusions

55. At its 11th meeting, on 11 June, the SBI, on the recommendation of the Chairman, adopted the following conclusions:

(a) The SBI encouraged the secretariat and the host Government to continue their efforts to finalize logistical arrangements for the fourth session of the Conference of the Parties, and to conclude the host country agreement as soon as possible;

(b) The SBI requested the Executive Secretary to take note of the points raised during the meeting when preparing the provisional agenda for COP 4, in accordance with rule 9 of the draft rules of procedure of the Conference of the Parties and its subsidiary bodies being applied; and

(c) The SBI recommended that an inaugural ceremony should be scheduled for the afternoon of 11 November 1998, and that statements by ministers and other heads of delegation of Parties should be made during the high-level segment on 12 and 13 November. Statements by representatives of observer States and observer organizations would be made to the plenary earlier in the session. It also recommended that all heads of delegation should be accorded equal treatment, that all drafts and proposals be circulated with sufficient time for consideration and discussion, and that the high-level segment should be conducted in a transparent manner.

B. Calendar of meetings
(Agenda item 9 (b))

Proceedings

56. The SBI considered this sub-item at its 7th, 8th and 12th meetings on 5, 8 and 12 June, respectively. It had before it document FCCC/SBI/1998/3.

57. Statements were made by representatives of four Parties, including one speaking on behalf of the European Community and its member States.

58. At the 7th meeting, on 5 June, the Executive Secretary presented the SBI with an oral update on this item. He recalled that a calendar of meetings for the period 1998-1999 had been adopted by the COP at its third session (see FCCC/CP/1998/7/Add.1, section III, para. 4). He

also recalled that the General Assembly at its fifty-second session had adopted a resolution requesting that Parties should avoid scheduling meetings in parallel with the General Assembly as of the biennium 2000-2001 (see resolution 52/445 of 18 December 1997).

59. One Party requested that the SBI should adopt a calendar of meetings based on three meetings each year, consisting of two one-week sessional periods and one two-week sessional period, the latter of which would include a meeting of the COP. The Executive Secretary informed the SBI that such alteration to the calendar of meetings would have serious impacts on the programme budget and programme of work in the current biennium, and would also entail a greater need for resources in the Trust Fund for Participation. He noted that changes to the calendar would have to be considered in the light of the availability of United Nations conference services and of meeting facilities in Bonn.

2. Conclusions

60. At its 12th meeting, on 12 June, the SBI, on the recommendation of the Chairman, after conducting consultations on this sub-item, adopted the following conclusions:

(a) The SBI took note of General Assembly resolution 52/445, and recommended that the calendar of meetings of the UNFCCC should continue to be based on a 12-month calendar; and

(b) The SBI decided to return to the issue of the calendar of meetings for the year 2000 and beyond at its ninth session and prepare a relevant draft decision for consideration and adoption by the COP at its fourth session. It noted that the calendar approved by the Conference of the Parties at its third session (see paragraph 58 above) would apply in 1999.

C. Date and venue of the fifth session of the Conference of the Parties
(Agenda item 9 (c))

1. Proceedings

61. The SBI considered this sub-item at its 7th, 8th, 11th and 12th meetings, on 5, 8, 11 and 12 June respectively. It had before it document FCCC/SBI/1998/3.

62. Statements were made by representatives of three Parties.

63. At the 7th meeting, on 5 June, the Executive Secretary informed the SBI that an offer to host the fifth session of the COP (COP 5) had been received from the Hashemite Kingdom of Jordan. At the 11th meeting, on 11 June, the representative of the Hashemite Kingdom of Jordan confirmed the transmission of the offer, and expressed the hope that the Conference of the Parties would be in a position to accept it.

2. Conclusions

64. At its 12th meeting, on 12 June, the SBI, on the recommendation of the Chairman, adopted the following conclusions:

(a) The SBI took note of the generous offer of Jordan and decided to complete its consideration of offers to host COP 5 at its ninth session;

(b) The SBI invited any other Party considering making an offer to host COP 5 to communicate such proposal to the secretariat not later than 30 September 1998.

D. Volume of documentation
(Agenda item 9 (d))

1. Proceedings

65. The SBI considered this sub-item at its 8th, 11th and 12th meetings, on 8, 11 and 12 June respectively.

66. At the 8th meeting, on 8 June, the secretariat presented the SBI with an oral report on this sub-item.

67. Also at the 8th meeting, on 8 June, a Party recommended that the secretariat should seek to develop and implement a new document distribution system, in collaboration with the United Nations Office at Geneva, through which Parties may specify as to whether they would prefer to receive documents only through electronic mail or the World Wide Web, or if they would prefer to continue to receive printed versions.

2. Conclusions

68. At its 12th meeting, on 12 June, the SBI, on the recommendation of the Chairman, adopted the following conclusions:

(a) The SBI took note of the effort by the secretariat to improve the dissemination of official documentation through electronic media, including the World Wide Web; and

(b) The SBI requested the secretariat to continue to improve the electronic dissemination of official documents to Parties, subject to the availability of funds, and to make arrangements for provision of official documents in all United Nations languages in electronic format.

X. ADMINISTRATIVE AND FINANCIAL MATTERS
(Agenda item 10)

A. Programme budget for the biennium 1998-1999
B. Financial performance in the biennium 1996-1997
C. Financial procedures
D. Administrative arrangements
(Agenda items 10 (a) to 10 (d))

1. Proceedings

69. The SBI, at its 6th meeting, on 4 June, considered the information contained in documents FCCC/SBI/1998/4 and FCCC/SBI/1998/INF.4, and the oral updates provided by the secretariat.

70. Statements were made by representatives of six Parties, including one speaking on behalf of the European Community and its member States.

2. Conclusions

71. At its 12th meeting, on 12 June, the SBI, on the recommendation of the Chairman, requested the secretariat to incorporate the following conclusions into a draft omnibus decision on administrative and financial matters to be considered by the Conference of the Parties at its fourth session:

A. Programme budget for the biennium 1998-1999

72. The SBI endorsed the Executive Secretary's proposed deployment of the post-Kyoto contingency resources as outlined in document FCCC/SBI/1998/4, paragraphs 7-10, in particular the increase in the number of additional posts from three to four. The SBI also authorized the Executive Secretary to allocate core budget resources to the Resources Planning and Coordination Programme, pending the conclusion of negotiations on increased allocations from the overhead payments made to the United Nations, and to transfer, as necessary and within the 15 per cent limit, funds from the budget approved for established posts to temporary assistance.

73. The SBI urged Parties to pay all outstanding contributions to the core budget as soon as possible, as well as to make timely voluntary contributions to the trust funds for participation and for supplementary activities.

B. Financial performance in the biennium 1996-1997

74. The SBI took note of the contributions received for the 1996-1997 biennium under the various sources of funding, and requested the Executive Secretary to report to COP 4, through the SBI at its ninth session, on the actual expenditures for 1996-1997, including audited financial statements and the reports from the internal and external auditors.

C. Financial procedures

75. Following the General Assembly resolution to revise the United Nations scale of assessment (resolution 52/215 of 22 December 1997), the SBI revisited the modality to be used in determining the indicative scale of contributions to the core budget of the Convention, on the basis of the alternatives suggested by the Executive Secretary. The SBI decided to recommend to COP 4 that the scale of contributions should be based on the new United Nations scale of assessment and should follow the principle that all Parties should contribute to the Convention budget. To this end, the SBI also decided to recommend to COP 4 that it should adjust the financial procedures (as contained in decision 15/CP.1, annex I, paragraph 7 (a)) of document FCCC/CP/1995/7/Add.1) to read as follows: "Contributions made each year by Parties on the basis of the indicative scale adopted by consensus by the Conference of the Parties, and based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly, adjusted so as to ensure that no Party contributes less than 0.001 per cent of the total; that no one contribution exceeds 25 per cent of the total; and that no contribution from a least developed country Party exceeds 0.01 per cent."

76. The SBI authorized the Executive Secretary to use this new indicative scale of contributions as a basis for the notification to Parties of their 1999 contributions. This notification should also reflect any credits or debits arising from the application of the new scale to contributions for 1998.

D. Administrative arrangements

77. After taking note of the Executive Secretary's oral report on this sub-item, the SBI requested the Executive Secretary to continue discussions with the United Nations regarding administrative arrangements for the Convention, with a view to bringing them to a successful conclusion, and to inform the Conference of the Parties through the SBI, as appropriate, of any significant developments.

XI. INVOLVEMENT OF NON-GOVERNMENTAL ORGANIZATIONS
(Agenda item 11)

1. Proceedings

78. The SBI considered this item at its 6th, 9th and 12th meetings, on 4, 8 and 12 June, respectively. It had before it document FCCC/SBI/1998/5. Documents previously issued on this agenda item were also available (FCCC/SBI/1997/14 and Add.1, and FCCC/SBI/1997/MISC.7). These documents were introduced by the Executive Secretary.

79. Statements were made by representatives of 11 Parties, including one representative speaking on behalf of the European Community and its member States, and representatives of two non-governmental organizations, representing the environmental and the business and industry constituencies, respectively.

80. Parties stressed the importance of the role of non-governmental organizations (NGOs) at the meetings of the Convention bodies, and in the implementation of the Convention. Representatives of non-governmental organizations emphasized their willingness to contribute to the Convention process. The SBI welcomed the practice of the Chairmen of the subsidiary bodies of meeting the different NGO constituencies.

2. Conclusions

81. The SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI took note that the current arrangements for the accreditation of non-governmental organizations were satisfactory, and that no change in the accreditation procedures was required;

(b) The SBI noted that the existing three recognized constituencies: (i) environmental, (ii) business and industry, and (iii) local authorities, did not always provide a practical way of grouping the non-governmental organizations. The SBI concluded that a new framework could be based on elements provided by the Executive Secretary in document FCCC/SBI/1997/14/Add.1, paragraphs 5 and 6, as well as on the list of major groups in Agenda 21. In this regard, the SBI requested the secretariat to continue consultations with representatives of different non-governmental organizations to arrive at an improved set of constituencies, possibly to be confirmed by the SBI at its tenth session;

(c) The SBI recognized that non-governmental organizations, if they were to be effectively involved in the implementation of the Convention, must be well informed about the Convention process. The SBI welcomed the proposals of the secretariat for improving the

availability of documentation and information to non-governmental organizations, and encouraged the secretariat to proceed with those activities, within the available resources;

(d) The SBI noted that representatives of non-governmental organizations (NGO) may be allowed to participate in informal contact groups, unless the Parties object.

82. The Chairman indicated his understanding, with respect to paragraph 81 (d) above, that this provided for the possible participation of NGOs as *observers* in *open-ended* contact groups (emphasis added). Different views were expressed on the manner in which participation would be determined.

83. The SBI requested the secretariat to prepare, for consideration at its ninth session, a draft decision on the modalities for participation of representatives of NGOs in contact groups for a decision by the COP at its fourth session.

XII. REPORT ON THE SESSION
(Agenda item 12)

84. At its 12th meeting, on 12 June, the SBI approved the draft report on the work of its eighth session, as contained in document FCCC/SBI/1998/L.1, and as orally amended.

85. At the same meeting, the SBI authorized the Chairman, with the assistance of the secretariat, to complete the report on the session.

XIII. CLOSURE OF THE SESSION

86. At its 13th meeting, which was held jointly with the SBSTA on 12 June, closing statements were made by four Parties, including one speaking on behalf of the Group of 77 and China.

87. After thanking all participants for their constructive cooperation, the Chairman declared the session closed.

Annex I

List of documents before the Subsidiary Body for Implementation at its eighth session

Documents prepared for the session

FCCC/SBI/1998/1	Provisional agenda and annotations
FCCC/SBI/1998/2	Second review of the adequacy of Article 4, subparagraphs 2 (a) and (b)
FCCC/SBI/1998/3	Arrangements for intergovernmental meetings
FCCC/SBI/1998/4	Administrative and financial matters
FCCC/SBI/1998/5	Involvement of non-governmental organizations. Mechanisms for consultation
FCCC/SBI/1998/INF.1	National communications. Communications from Parties included in Annex I to the Convention. In-depth reviews of first and second national communications and scheduling for future communications
FCCC/SBI/1998/INF.2	National communications. Communications from Parties included in Annex I to the Convention. Nomination of experts for participation in in-depth reviews
FCCC/SBI/1998/INF.3 and Add.1	Communications from Parties not included in Annex I to the Convention. Secretariat activities to facilitate the provision of financial and technical support
FCCC/SBI/1998/INF.4	Administrative and financial matters. Status report on receipt of contributions from Parties
FCCC/SBI/1998/MISC.1	Information on relevant action by the Global Environment Facility

FCCC/SBI/1998/MISC.2	National communications from Parties not included in Annex I to the Convention. Process for consideration of national communications from non-Annex I Parties: comments by Parties on the draft compilation of the co-Chairmen. Submissions by Parties
FCCC/SBI/1998/MISC.3	Group of 77 and China position paper on preparations for COP 4 (proposed provisional agenda)
FCCC/SBI/1998/MISC.4 and Add.1 and Rev.1	Proposals on financial mechanism
FCCC/SBI/1998/MISC.5	Second review of the adequacy of Article 4, subparagraphs 2 (a) and (b). Position paper and draft decision submitted by the Group of 77 and China
FCCC/SB/1998/1	Allocation of preparatory work to the subsidiary bodies for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. Note by the Chairmen
FCCC/SB/1998/2	Mechanisms for cooperative implementation
FCCC/SB/1998/3	Organization and proposed schedules of work of the sessions: additional information
FCCC/SB/1998/MISC.1 and Add.1 and Rev.1 and Add.2 and Add.3 and Rev.1 and Add.4-6	Preparatory work needed for the fourth session of the Conference of the Parties on the items listed in decision 1/CP.3, paragraph 5. Submissions by Parties
FCCC/SB/1998/MISC.2 and Add.1	Mechanisms for cooperative implementation. Responses to questionnaire relating to cooperative implementation mechanisms. Submissions by intergovernmental bodies and non-governmental bodies
FCCC/SB/1998/MISC.3	Provisional list of participants
FCCC/SB/1998/MISC.4	Position papers on matters before the eighth sessions of the subsidiary bodies submitted by the Group of 77 and China. Submission by the Group of 77 and China
FCCC/SBI/1998/L.1	Draft report of the Subsidiary Body for Implementation on its eighth session

FCCC/SBI/1998/CRP.1	Implementation of Article 4, paragraphs 8 and 9, of the Convention (Decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol)
FCCC/SBI/1998/CRP.2	National Communications. Communications from Parties included in Annex I to the Convention
FCCC/SBI/1998/CRP.3	Involvement of non-governmental organizations
FCCC/SBI/1998/CRP.4	Second review of the adequacy of Article 4, subparagraphs 2 (a) and (b)
FCCC/SB/1998/CRP.1	Allocation of work - issues arising from decision 1/CP.3, paragraph 6
FCCC/SB/1998/CRP.2	Mechanisms

Other documents for the session

FCCC/CP/1997/7	Report of the Conference of the Parties on its third session, held at Kyoto from 1 to 11 December 1997. Part One: Proceedings
FCCC/CP/1997/7/Add.1	Report of the Conference of the Parties on its third session, held at Kyoto from 1 to 11 December 1997. Part Two: Action taken by the Conference of the Parties at its third session
FCCC/CP/1997/MISC.3	Review of information and possible decisions under Article 4.2(f): submission by Turkey
FCCC/CP/1996/15/Add.1	Report of the Conference of the Parties on its second session, held at Geneva from 8 to 19 July 1996. Part Two: Action taken by the Conference of the Parties at its second session
FCCC/SBI/1997/6	Report of the Subsidiary Body for Implementation on the work of its fifth session, Bonn, 25 February - 7 March 1997
FCCC/SBI/1997/14	Mechanisms for consultations with non-governmental organizations
FCCC/SBI/1997/14/Add.1	Mechanisms for consultations with non-governmental organizations. Addendum. The participation of

	non-governmental organizations in the Convention process. Note by the Executive Secretary
FCCC/SBI/1997/19	National communications: Communications from Parties included in Annex I to the Convention. First compilation and synthesis of second national communications from Annex I Parties
FCCC/SBI/1997/19/Add.1	National communications: Communications from Parties included in Annex I to the Convention. First compilation and synthesis of second national communications from Annex I Parties. Addendum
FCCC/SBI/1997/MISC.7	Mechanisms for consultations with non-governmental organizations. Compilation of submissions

Documents available for reference only

FCCC/CP/1995/7/Add.1	Report of the Conference of the Parties on its first session, held at Berlin from 28 March to 7 April 1995. Part Two: Action taken by the Conference of the Parties at its first session
FCCC/SBI/1997/8	Financial and technical cooperation. Financial mechanism: Review process referred to in decision 9/CP.1. Synthesis report
FCCC/SBI/1997/21	Report of the Subsidiary Body for Implementation on the work of its seventh session, Bonn, 20 - 29 October 1997
FCCC/SBI/1997/MISC.3 and Add.1	Financial mechanism: Review process referred to in decision 9/CP.1
FCCC/SBI/1997/MISC.9	Financial mechanism: Review process referred to in decision 9/CP.1. Compilation of submissions by Parties

Annex II

Non-paper from the co-Chairmen of the contact group on item 7 convened during the eighth session of the SBI

Part I

Implementation of Article 4, paragraphs 8 and 9, of the Convention (Decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol)

The Conference of the Parties,

Recalling its decision 3/CP.3 on Article 4, paragraphs 8 and 9 of the United Nations Framework Convention on Climate Change,

Recalling also the provisions of Article 4, paragraphs 8 and 9, of the United Nations Framework Convention on Climate Change,

[Recalling further the provisions of Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol,]

Welcoming with appreciation the relevant work, completed and under way, of the Intergovernmental Panel on Climate Change, in particular its First and Second Assessment Reports, recent Special Report on the Regional Impacts of Climate Change and forthcoming Third Assessment Report and work on the impact of the implementation of response measures, [including, for example, the informal roundtable convened during the fourth session of the AGBM and the IPCC Oslo workshop on the economic impacts of Annex I actions on all countries,]

1. Decides to adopt the following basic elements for further analysis:

(a) the identification of adverse effects of climate change and impacts of the implementation of response measures;

(b) the identification of the way in which the adverse effects of climate change and impacts of the implementation of response measures relate to developing countries;

(c) the identification of the specific needs and concerns of developing country Parties arising from such adverse effects and impacts;

(d) [the identification][[the consideration] of actions necessary [under the Convention], including actions related to funding, insurance, and the transfer of technology, to

meet the specific needs and concerns of developed country Parties arising from the adverse effects of climate change and/or the impact of the implementation of response measures;

2. *Notes* that considerable uncertainties persist associated with the assessment of the adverse effects of climate change particularly at the regional, sub-regional and national levels;

3. *Notes* further that [very] considerable uncertainties exist regarding the impact of the implementation of response measures;

4. *[Notes* also the difficulty in distinguishing between natural and human-induced climate change, particularly at the regional, sub-regional and national levels;]

[5. *Requests* the SBSTA to provide technical, technological, methodological and scientific information relevant to the implementation of Article 4.8 and 4.9 of the Convention [and][, in order to assist the COP/MOP in its consideration of the matter at its first session,] [Articles 2.3 and 3.14 of the Protocol], including, *inter alia*, from the IPCC TAR and communications from Parties under Article 12 of the Convention, related to [the identification and] the assessment of the vulnerability to the adverse effects of climate change and the impact of the implementation of response measures;]

[5. *Requests* the SBSTA to provide technical, technological, methodological and scientific information relevant to the implementation of Article 4.8 and 4.9 of the Convention [and][, in order to assist the COP/MOP in its consideration of the matter at its first session,] [Articles 2.3 and 3.14 of the Protocol], including, *inter alia*, from the IPCC TAR and communications from Parties under Article 12 of the Convention, related to [the identification and] the adverse effects of climate change and related vulnerability assessment, and the impact of the implementation of response measures;]

6. *Requests* the secretariat to assist the SBSTA with further work under paragraph 5 above, including if necessary by drawing on the roster of experts and to facilitate the organization of expert meetings.

Part II

[7. Recalls that, by paragraph 5 of the guidelines for the preparation of initial communications by Parties not included in Annex I to the Convention contained in the Annex to its decision 10/CP.2, Parties may present information on their specific needs and concerns arising from the adverse effects of climate change and/or the impact of the implementation of response measures, and urges non Annex I Parties to provide such information in their initial communications;]

[8. Recalls further that, by paragraph 15 of these guidelines, non Annex I Parties should communicate a general description of steps taken or envisaged by the Party to implement

the Convention, which should seek to include, as appropriate, *inter alia*: policy options for adequate monitoring systems and response strategies for climate change impacts on terrestrial and marine ecosystems; and policy frameworks for implementing adaptation measures and response; and *urges* non Annex I Parties to include this information in their initial communications and to submit these communications as early as possible, as this information is of prime importance in assessing adverse effects to climate change for developing country Parties;]

[9. Invites Parties to submit information to the secretariat on the adverse effects of climate change and/or the impact of the implementation of response measures six week before the tenth session of the SBI, on issues to be identified at the ninth session of the SBI, and to submit information periodically thereafter, the topics and schedule of which will be specified by the SBI at it future sessions.]

Needs and concerns of developing country Parties arising from adverse effects of climate change and/or the impact of the implementation of response measures

[10. Notes the needs expressed by some non-Annex I Parties in their initial communications and by participants of workshops on the adverse effects of climate change, adaptation and/or vulnerability assessment for studies to focus more on adaptation, for the development of more detailed and reliable regional scenarios of climate to be used in assessments, for the development of additional data, for assessments to account better for baseline socio-economic changes and integrated impacts of climate change, and for building capacity to carry out vulnerability and adaptation assessments; and *draws* these needs to the attention of the IPCC;]

[11. Notes further that additional studies and research are required to improve understanding and the identification of the adverse effects of climate change and the impact of the implementation of response measures;]

Actions

(i) Funding

[12. Notes that Article 4.4 of the Convention commits developed country Parties and other Parties included in Annex II to assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting costs of adaptation to those adverse effects, but that no similar provision exist in the Convention that would obligate Annex I or Annex II Parties to compensate countries that could be affected by the implementation of the response measures;]

[13. *Notes* the provision under Article 12 of the Protocol by which a share of the proceeds from certified project activities will be used to assist developing country Parties that are

particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, as well as the importance of further work to elaborate modalities for the implementation of this provision;]

(ii) Transfer of technology

[14. *Notes* with appreciation the relevant activities of the secretariat related to the transfer of technology;]

[15. Encourages Parties to examine the potential, through the transfer of technology, for assisting developing country Parties whose economies are highly dependent on income generated from the production, processing and export, and/or on consumption of fossil fuels and associated energy-intensive products in diversifying exports;]

[16. *Requests* Parties to undertake action related to the transfer of technology on adaptation measures already identified, including the development of infrastructure development;]

(iii) Insurance

[17. *Notes* with appreciation the information contained in the IPCC SAR;]

[18. *Notes* further that there is nevertheless a lack of information and studies, and that there is a need for further analytical work;]

[19. *Requests* the SBI to consider any additional information that may be contained in the IPCC TAR;]

(d) Other

[20. *Requests* the SBI to review policies and measures by Annex I Parties that adversely affect developing countries, including to the removal of subsidies and the restructuring of taxes.]

Process

[21. *Requests* the SBI to continue its consideration of this issue at its ninth and subsequent sessions;]

[22. *Decides* to establish a joint SBI/SBSTA ad hoc working group to consider further actions, to analyze reports on adverse effects of climate change and the impact of the

implementation of response measures on developing countries, and recommend action for consideration by the SBI;]

[23. *Decides* to organize an expert meeting on the issue of implementation of Article 4.8 and 4.9 of the Convention and of Article 2.3 and 3.14 of the Protocol;]

[24. *Decides* to include this item in the agenda of all future meetings of the Conference of the Parties.]